

UNCLASSIFIED

R194

PRIORITY

CONFIDENTIAL

RELEASED IN PRIORITY

B1, 1.4(D)

PEO 06

ACTION

DEPARTMENT OF STATE
ARA/NEA REARCSPAGE 01 OF 03 CARACA 02958 00 OF 04 011144Z 018668 S015123
ACTION: VE (02)INFO: OAND (02) RJ (01) MM (01) JPL (01) JRH (01) ARA (01) PPC (01)
OAS (01) PPA (01) EPSC (04) DEPSC (01) LNE (02) CO (02)
EC (01) PE (01) BL (01) DCAR (01) DEP (01) TDGY (01) BR (02)
01/14022 A2 RD (TOTAL COPIES: 028)

ACTION ARA-00

INFO LOG-00 ACDA-00 ACDE-00 AID-00 ACO-00 CEA-01 CTME-00
DBDE-00 DOEE-00 SRPP-00 DS-00 EB-00 EXIM-01 E-00
FRB-00 H-01 TEBE-00 INR-00 ITC-01 I-00 ADS-00
NSAE-00 NSCE-00 OMB-01 OPIC-01 PA-00 PM-00 PRS-00
P-00 SP-00 SSO-00 STR-00 FRSE-00 T-00 FMP-00
PMB-00 DSCC-00 DRL-02 G-00 FDIC-01 NFAT-00 SAS-00
/B20NP 011135Z OCT 98
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 1861
INFO AMEMBASSY BOGOTA
AMEMBASSY QUITO
AMEMBASSY LIMA
AMEMBASSY LA PAZ
GIA WASHDC
BIA WASHDC
USIA WASHDC 1814
USCINCSO MIAMI FL
AMEMBASSY GEORGETOWN
AMEMBASSY BRASILIA
USDOC WASHDC 3106UNITED STATES DEPARTMENT OF STATE
CLASSIFIED BY DEPT. OF STATE, M. GRAFELD, DAS, A/GIS, ACTING
REVIEW AUTHORITY: ADOLPH H EISNER
CLASSIFICATION: CONFIDENTIAL REASON: 1.4(D)
DECLASSIFY AFTER: 30 SEP 2023
DATE/CASE ID: 14 JUN 2010 200503654

C B N F I D E N T I A L CARACAS 002958

E.O. 12958: DECL: 09/25/08
TAGS: PGOV, PREL, ECON, EFIN, VE

SUBJECT: IRENE SAEZ: THE OPTIMISTIC PRESIDENTIAL CANDIDATE

CLASSIFIED BY AMBASSADOR JOHN F. MAISTO, REASON: 1.5 (B).

SUMMARY

1. (C) "I AM THE ONLY CANDIDATE CAPABLE OF BUILDING THE POLITICAL CONSENSUS AND ALLIANCES NECESSARY TO GOVERN VENEZUELA," IRENE SAEZ TOLD AMBASSADOR BURING A SEPTEMBER 25 LUNCH MEETING. SAEZ ASSERTED THAT HER DECLINE IN THE POLLS MASKED HER REAL STRENGTH, WHICH IS TO JOIN TOGETHER VENEZUELA'S FRAGMENTED AND DISPARATE PARTIES. CRITICISM OF HER DECISION TO ALLY HERSELF WITH TRADITIONAL PARTIES, SUCH AS THE SOCIAL CHRISTIAN PARTY (COPEI), MISSED THE POINT THAT VENEZUELA CANNOT BE GOVERNED WITHOUT THESE HISTORIC POLITICAL ACTORS. IN SHORT, SAEZ SAID SHE IS THE CANDIDATE OF "GOVERNABILITY." SAEZ INSISTED THAT THIS WOULD BECOME EVIDENT FOLLOWING THE NOVEMBER 6 REGIONAL ELECTIONS. SHE DISTINGUISHED HERSELF FROM HER PERCEIVED MAJOR COMPETITOR, HUGO CHAVEZ, BY NOTING, "I STAND FOR DEMOCRACY AND CONSTITUTIONAL GOVERNMENT." THROUGHOUT HER CONVERSATIONS WITH AMBASSADOR, SAEZ WAS VERY OPTIMISTIC, AND GAVE NO INDICATION THAT HER DECLINE IN THE POLLS HAS SHAKEN HER DETERMINATION TO CARRY THIS FIGHT TO THE END. END SUMMARY.

STEALING SOME SPOTLIGHT FROM CHAVEZ

2. (C) SAEZ, ACCOMPANIED BY CHRISTIAN SOCIAL (COPEI) PARTY

STRATEGIST AUGUSTIN BERRIOS, ARRIVED AT AMBASSADOR'S RESIDENCE FOR LUNCH ONLY TWO HOURS AFTER FRONT-RUNNER HUGO CHAVEZ HAD DEPARTED

CARACA 02958 00 OF 04 011144Z 018668 S015123
FROM HIS BREAKFAST MEETING. HAVING SLIPPED TO THIRD PLACE IN THE POLLS, SAEZ WAS ELATED TO HAVE LUNCH WITH AMBASSADOR ON THE SAME DAY THAT HE HAD HIS FIRST-EVER MEETING WITH CHAVEZ. SAEZ ASSERTED THAT THE BACK-TO-BACK MEETINGS WOULD UNDERSCORE THE STARK CONTRAST BETWEEN THE TWO. AMBASSADOR WAS ACCOMPANIED BY POLBFF.

THE MIAMI HERALD CONFERENCE

3. (C) BEFORE SITTING DOWN TO LUNCH, SAEZ RECOUNTED HER EXPERIENCES AT THE MIAMI HERALD CONFERENCE ON AUGUST 17 AND 18. SAEZ SAID THAT WHEN SHE WAS AT THE CONFERENCE, SHE MET THE DIRECTOR OF A TRAVEL AGENCY THAT DOES BUSINESS IN VENEZUELA. THIS DIRECTOR STATED THAT HE WAS THINKING OF PULLING OUT OF VENEZUELA BECAUSE OF ECONOMIC DIFFICULTIES AND POLITICAL UNCERTAINTIES. SAEZ SAID THAT SHE STOPPED THE DIRECTOR AND PLEADED WITH HIM NOT TO LEAVE VENEZUELA. SHE ASSERTED THAT VENEZUELA NEEDED MORE, NOT LESS FOREIGN INVESTMENT. SAEZ STATED THAT SHE ASSURED THE DIRECTOR THAT, THOUGH TIMES MIGHT BE DIFFICULT IN VENEZUELA NOW, THE SITUATION WOULD IMPROVE AND THERE WOULD BE AMPLE BUSINESS OPPORTUNITIES. AFTER LUNCH, SAEZ RETOLD THIS SAME ANECDOTE TO THE PRESS.

5. (C) SAEZ ADDRESSED THE MIAMI HERALD CONFERENCE BEFORE CHAVEZ'S SPEECH FROM CARACAS VIA SATELLITE VIDEO CONFERENCE. SAEZ EXPLAINED THAT SHE USED HER ADDRESS TO DRAW A SHARP DISTINCTION BETWEEN HERSELF AND CHAVEZ:

-- SHE BEGAN HER ADDRESS BY NOTING THAT HER "OPPONENT" HAD BEEN UNABLE TO SECURE A VISA TO ENTER THE U.S.

-- WHEREAS HER "OPPONENT" HAD MADE MANY STATEMENTS "HOSTILE" TO FOREIGN INVESTMENT, SAEZ EMPHASIZED THAT SHE WELCOMED FOREIGN INVESTMENT AND VIEWED SUCH INVESTMENT AS KEY TO DEVELOPING A MODERN VENEZUELA. SHE TOLD INVESTORS THAT "JUDICIAL REFORM AND SECURITY" WERE HIGH ON HER AGENDA.

-- SHE STATED THAT HER "OPPONENT" WANTED TO TAKE VENEZUELA INTO AN "ADYSS" OF POLITICAL UNCERTAINTY BY HOLDING A CONSTITUTIONAL ASSEMBLY (CONSTITUYENTE). ACKNOWLEDGING THE DEFICIENCIES OF VENEZUELA'S DEMOCRACY, SHE STRESSED THAT SHE SOUGHT PERFORM IN ACCORDANCE WITH THE CURRENT CONSTITUTION.

AMBASSADOR: THE USG SUPPORTS THE DEMOCRATIC PROCESS

6. (C) AMBASSADOR TOLD SAEZ THAT INTEREST IN VENEZUELA WAS GROWING IN WASHINGTON, AND THERE WAS SIGNIFICANT CONCERN ABOUT

VENEZUELA'S POLITICAL AND ECONOMIC SITUATION. AMBASSADOR EXPLAINED THAT HE WAS MEETING WITH MAJOR PRESIDENTIAL CANDIDATES TO HEAR THEIR VIEWS DIRECTLY AND TO LAY OUT THE U.S. POSITION REGARDING THE ELECTIONS AND OUR RELATIONSHIP WITH THE GOVERNMENT WHICH RESULTS FROM THOSE ELECTIONS. AMBASSADOR MADE THE FOLLOWING POINTS:

-- WE SUPPORT THE ELECTORAL PROCESS. WE WANT FREE, FAIR, AND TRANSPARENT ELECTIONS. WE WILL RECOGNIZE WHOMEVER WINS THOSE

UNCLASSIFIED

B1

PRIORITY

CONFIDENTIAL

INCOMING

DEPARTMENT OF STATE
ARA/NEA REARCS

PAGE 02 OF 03 CARACA 02958 00 OF 04 011144Z 010600 SB15123
ELECTIONS. WE EXPECT TO CONTINUE OUR EXCELLENT BILATERAL
RELATIONSHIP WITH THE NEW GOVERNMENT FOLLOWING THE ELECTIONS.

CARACA 02958 00 OF 04 011144Z 010600 SB15123
GUBERNATORIAL, STATE LEGISLATIVE, AND NATIONAL CONGRESSIONAL

-- THE BASIS OF OUR BILATERAL RELATIONSHIP HAS BEEN A SHARED COMMITMENT TO DEMOCRATIC, CONSTITUTIONAL GOVERNMENT. THIS SHARED COMMITMENT INCLUDES SUPPORT FOR VENEZUELA'S DEMOCRATIC INSTITUTIONS, NO MATTER HOW DISCREDITED THEY MIGHT BE. IF BROKEN, THESE DEMOCRATIC INSTITUTIONS CAN AND SHOULD BE FIXED TO IMPROVE VENEZUELAN DEMOCRACY. THIS IS THE CHALLENGE TO VENEZUELA'S POLITICAL LEADERSHIP. ANY EFFORT TO REFORM THE STATE THROUGH A CONSTITUTIONAL ASSEMBLY MUST PRESERVE CONTINUITY OF DEMOCRATIC INSTITUTIONS. JUDICIAL REFORM IS ESSENTIAL, IS UNDER WAY, AND IS SUPPORTED BY THE U.S. WITHOUT AN INDEPENDENT LEGISLATURE, THERE IS NO DEMOCRACY.

-- FOREIGN INVESTMENT REQUIRES CLEAR AND RELIABLE RULES. AN INORDINATE AMOUNT OF POLITICAL UNCERTAINTY, SUCH AS MIGHT BE GENERATED BY A "CONSTITUYENTE," WOULD MAKE FOR AN INHOSPITABLE INVESTMENT ENVIRONMENT.

SAEZ: SUPPORT FOR DEMOCRACY, CONSTITUTIONALITY, AND PARTIES

7. (C) SAEZ ENTHUSIASTICALLY ASSERTED THAT SHE WAS IN FULL AGREEMENT WITH THE USG POSITIONS. SHE WELCOMED THE AMBASSADOR'S STATEMENTS THAT THE USG WOULD SUPPORT THE DEMOCRATIC PROCESS AND REMAIN NEUTRAL IN THE ELECTIONS. STATING THAT SHE CONCURRED THAT "WHOEVER WINS, WINS," SAEZ OPTIMISTICALLY SAID SHE WOULD BE THE NEXT PRESIDENT OF VENEZUELA AND WOULD SEEK TO CONTINUE EXCELLENT RELATIONS WITH THE U.S.

8. (C) SAEZ EXPLAINED THAT, IN CONTRAST TO CHAVEZ, SHE SUPPORTED DEMOCRACY, CONSTITUTIONALITY, AND THE CONTINUED ROLE OF POLITICAL PARTIES IN THE POLITICAL LIFE OF VENEZUELA -- THOUGH NEW POLITICAL LEADERSHIP IN THE PARTIES MUST BE ALLOWED TO THRIVE. ACKNOWLEDGING THAT VENEZUELAN DEMOCRACY WAS NOT PERFECT, SAEZ STATED SHE WOULD WORK TO "ENRICH" THE DEMOCRATIC SYSTEM. FURTHERMORE, SHE SAID THAT SHE WOULD SUPPORT CONSTITUTIONAL REFORM IN ACCORDANCE WITH THE 1961 CONSTITUTION, AND WOULD NOT SEEK TO BREAK WITH THIS CONSTITUTION.

9. (C) WITH RESPECT TO SUPPORTING TRADITIONAL POLITICAL PARTIES, SAEZ SAID THAT HER DECISION TO ALLY HERSELF WITH ONE TRADITIONAL PARTY, COPEI, WAS A DIFFICULT DECISION FOR HER TO MAKE. SAEZ EXPLAINED COPEI'S SUPPORT WAS NOT ONLY ESSENTIAL TO WINNING THE ELECTION, BUT ALSO MORE IMPORTANTLY NECESSARY TO ENSURE THAT SHE WOULD BE ABLE TO GOVERN THE COUNTRY. SHE INSISTED THAT SHE WAS STILL AN INDEPENDENT, AND WELCOMED THE SUPPORT OF ALL INTERESTED PARTIES, INCLUDING THE TRADITIONAL PARTIES. SAEZ EXPLAINED THAT THE TRADITIONAL PARTIES WERE STILL A REALITY IN VENEZUELAN POLITICS, AND THAT PARTIES WERE ESSENTIAL TO A PROPERLY FUNCTIONING DEMOCRACY.

SAEZ'S VIEW OF THE POLITICAL PANORAMA

11. (C) SAEZ DECLARED THAT FOLLOWING THE NOVEMBER 6

ELECTIONS, THE POLITICAL PANORAMA WILL CHANGE SIGNIFICANTLY.

12. (C) DISCUSSING THE "CONSTITUYENTE,"

SHE STATED THAT SHE SAW NO REASON WHY VENEZUELA'S CONSTITUTION COULD NOT BE REFORMED IN ACCORDANCE WITH ITS OWN PROVISIONS. FURTHERMORE, AFTER THE NOVEMBER ELECTIONS A NEW CONGRESS WILL HAVE BEEN ELECTED THAT WILL HAVE A VESTED INTEREST IN CONGRESS IS SCHEDULED TO BE SWORN IN ON JANUARY 23, AND THE PRESIDENT ON FEBRUARY 2. END NOTE.)

PRESS

13. (C) PRIOR TO LUNCH, SAEZ ADVISOR LEON FERRES CORDERO PHONED POLCOUNS TO INQUIRE ABOUT PRESS ARRANGEMENTS FOR THE LUNCH. POLCOUNS EXPLAINED THAT WHILE THE EMBASSY HAD NOT ARRANGED FOR PRESS FOR EITHER THE BREAKFAST OR LUNCHEON MEETING, THE PRESS HAD STAKED OUT THE RESIDENCE FOR THE CHAVEZ BREAKFAST, AND CHAVEZ HAD ADDRESSED THE PRESS IN THE STREET OUTSIDE THE RESIDENCE GROUNDS. SUBSEQUENTLY, AMBASSADOR HAD INVITED THE PRESS INTO THE RESIDENCE FOR A BRIEF STATEMENT AND ANSWERED QUESTIONS. POLCOUNS STATED THAT SAEZ WOULD BE TREATED NO DIFFERENTLY. FROM THE TERRACE OF AMBASSADOR'S RESIDENCE, BERRIDS, USING A CELLULAR PHONE, MADE A COUPLE OF QUICK CALLS TO SUMMON THE PRESS TO THE RESIDENCE FOR A STATEMENT BY SAEZ AFTER LUNCH.

14. (U) SPEAKING TO THE PRESS AFTER LUNCH, SAEZ STRESSED NOT ONLY THAT SHE INDEED HAS A VISA TO TRAVEL TO THE U.S., BUT ALSO THAT

THIS LUNCHEON MEETING WAS ONE OF MANY MEETINGS THAT SHE HAS HAD WITH AMBASSADOR. SAEZ SAID, "IRENE SAEZ NOT ONLY HAS A VISA TO TRAVEL TO THE UNITED STATES, BUT ALSO WILL BRING PROSPERITY TO THE COUNTRY." DOWNPLAYING THE IMPORTANCE OF POLLS, SAEZ DECLARED THAT ON DECEMBER 6, "DEMOCRACY WILL TRIUMPH IN VENEZUELA." SHE ALSO STATED, "I EXPLAINED TO THE AMBASSADOR THAT NOVEMBER 6 WILL BE A TEST OF FIRE."

COMMENT

UNCLASSIFIED

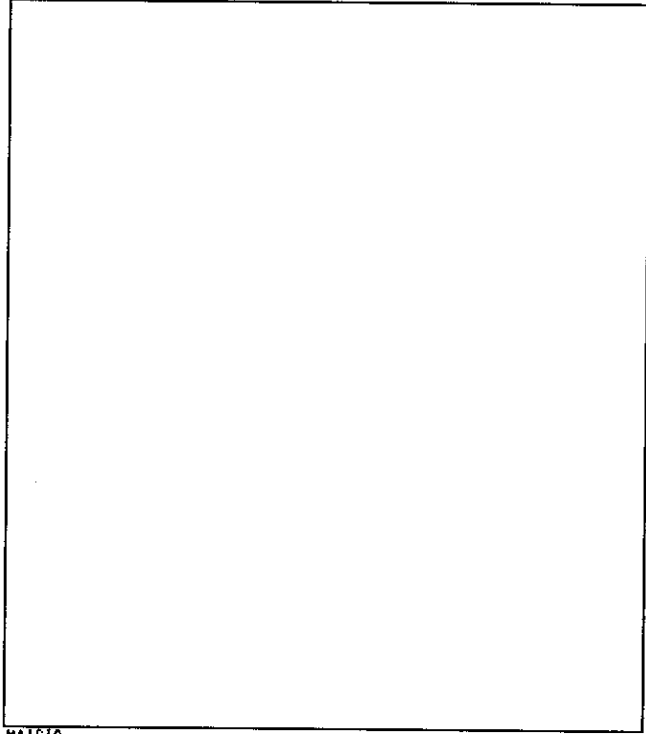
PRIORITY

CONFIDENTIAL

INCOMING

DEPARTMENT OF STATE
ARA/NEA REARCS

PAGE 03 OF 03 CARACA 02958 00 OF 04 011144Z 018666 SR15123



B1

HA1510

UNCLASSIFIED